

COMMONWEALTH TRANSPORTATION FUND REVENUE REPORT

December 2006

Summary

Revenue collections declined by 2.2 percent in December. Most of the monthly drop was attributable to weak retail sales tax collections. On a year-to-date basis, growth is up 2.8 percent, ahead of the forecast of 0.5 percent growth.

Motor Fuels Tax (excluding PTF Fuels Tax Revenue)

Motor Fuels Tax collections increased by 4.7 percent in December. Annual collections through the first half of fiscal year 2007 are down 2.2 percent, trailing the 1.0 percent decline projected in the official forecast.

The U.S. average retail price for regular gasoline for January 8, 2007 decreased 2.8 cents to 230.6 cents per gallon. Prices are now 2.1 cents per gallon lower than at this time last year. Retail diesel fuel prices also fell this week, decreasing 4.3 cents to 253.7 cents per gallon. Prices are 5.2 cents higher than at this time last year.

Motor Vehicle Sales and Use Tax

Motor vehicle sales tax collections fell by 2.3 percent in December. Through the first half of the fiscal year, motor vehicle sales tax collections are down 3.5 percent, trailing the annual forecast of a 1.7 percent decline.

The current pace of U.S. sales is about where the trend pace of sales is and sales are expected to bounce around 16 million over the next few years. The economy is downshifting, income growth is expected to ease, consumers are benefiting less from rising house prices, which have allowed from home equity withdrawals and many households are facing rate resets on mortgages. Therefore, consumer fundamentals argue against any significant pickup in vehicle sales. This is already apparent, as incentives, which are 10% higher in value than a year ago, according to CNW/Marketing Research, have been unable to boost sales any higher.

State Retail Sales Tax

The transportation portion of retail sales tax declined by 9.4 percent in December. Collections in this source are up 16.1 percent in fiscal year 2007, mainly due to the termination of the Accelerated Sales Tax program.

Motor Vehicle Licenses

Motor Vehicle Registrations increased by 1.2 percent in December. Collections of \$10.9 million were slightly higher than the \$10.8 million collected last December. Motor vehicle license receipts are up 1.7 percent for the year.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Summary Statement of Selected Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Estimate
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
Motor Fuel Taxes	\$861,600	22.46	\$72,164	\$68,949	4.7	\$370,398	\$378,711	(2.2)	(1.0)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	8,000	8,000	0.0	0.0
Motor Vehicle Sales and Use Tax	618,300	16.12	41,773	42,750	(2.3)	309,147	320,285	(3.5)	(1.7)
State Sales and Use Tax	508,700	13.26	41,102	45,362	(9.4)	256,192	220,666	16.1	6.8
Motor Vehicle License Fees	170,400	4.44	10,925	10,793	1.2	82,507	81,101	1.7	0.6
International Registration Plan	62,400	1.63	1,395	3,754	(62.8)	20,848	15,124	37.8	3.0
Interest Earnings	33,800	0.88	170	5	#	12,423	7,226	71.9	(12.5)
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	1,042	855	21.9	5,903	5,296	11.5	5.9
Total State Taxes and Fees (a)	\$2,287,900	59.64	\$170,571	\$174,468	(2.2)	\$1,065,418	\$1,036,409	2.8	0.5

Percentage is greater than or equal to 1,000%.

(a) Certain Fiscal Year 2007 year-to-date and Fiscal Year 2006 monthly and year-to-date amounts have been reclassified. Refer to (a) on page 5 for additional information.

Commonwealth of Virginia/Department of Accounts
Highway Maintenance and Operating Fund and Transportation Trust Fund Revenues
Statement of Revenue Estimates & Collections
For the Fiscal Years 2006 and 2007
(Dollars in Thousands)

Revenue	FY 2007 Estimate	As a % of Total Fund	December			Year-To-Date			% Annual Growth Required By Est
			FY 2007	FY 2006	% Change	FY 2007	FY 2006	% Change	
HIGHWAY MAINTENANCE AND OPERATING FUND:									
Motor Fuel Taxes (Includes Road Tax)	\$743,300	19.38	\$62,724	\$57,665	8.8	\$322,058	\$328,788	(2.0)	(1.2)
Motor Vehicle Sales and Use Tax	381,900	9.95	25,521	26,225	(2.7)	191,131	197,953	(3.4)	(2.1)
Motor Vehicle License Fees	149,200	3.89	9,511	9,384	1.4	71,964	71,056	1.3	0.6
International Registration Plan	62,400	1.63	1,395	3,754	(62.8)	20,848	15,124	37.8	3.0
Misc. Taxes, Fees, and Revenues (a)	12,700	0.33	1,042	855	21.9	5,903	5,296	11.5	5.9
Total State Taxes and Fees	\$1,349,500	35.18	\$100,193	\$97,883	2.4	\$611,904	\$618,217	(1.0)	(1.0)
Other Revenues:									
Federal Grants and Contracts	\$0	0.00	\$2,409	\$5,161	(53.3)	\$13,004	\$18,359	(29.2)	(100.0)
Miscellaneous Revenues (a)	10,600	0.27	556	2,378	(76.6)	8,949	13,639	(34.4)	(50.8)
Transfer (to) / from Transportation Trust Fund	286,303	7.46	0	0	-	239,144	186,199	28.4	53.8
Total Highway Maintenance and Operating Fund	\$1,646,403	42.91	\$103,158	\$105,422	(2.1)	\$873,001	\$836,414	4.4	2.4
TRANSPORTATION TRUST FUND:									
Motor Fuel Taxes (Includes Aviation & Road Taxes)	\$118,300	3.08	\$9,440	\$11,284	(16.3)	\$48,340	\$49,923	(3.2)	(0.1)
Priority Transportation Fund	20,000	0.52	2,000	2,000	0.0	8,000	8,000	0.0	0.0
Motor Vehicle Sales and Use Tax (Includes Rental Tax)	236,400	6.17	16,252	16,525	(1.7)	118,016	122,332	(3.5)	(0.9)
State Sales and Use Tax	508,700	13.26	41,102	45,362	(9.4)	256,192	220,666	16.1	6.8
Motor Vehicle License Fees	21,200	0.55	1,414	1,409	0.4	10,543	10,045	5.0	0.6
Interest Earnings	33,800	0.88	170	5	#	12,423	7,226	71.9	(12.5)
Total State Taxes and Fees	\$938,400	24.46	\$70,378	\$76,585	(8.1)	\$453,514	\$418,192	8.4	2.8
Other Revenues:									
Federal Grants and Contracts	\$1,354,852	35.32	\$63,322	\$24,776	155.6	\$341,378	\$257,292	32.7	181.8
Receipts from Cities/Counties (a)	69,303	1.81	5,407	2,742	97.2	28,948	20,091	44.1	46.4
Toll Revenues (Includes Route 28)	96,447	2.51	8,171	10,808	(24.4)	48,945	53,674	(8.8)	(15.0)
Miscellaneous Revenues	17,391	0.45	6,585	1,273	417.3	10,377	8,992	15.4	(21.0)
Total Other Revenues	\$1,537,993	40.09	\$83,485	\$39,599	110.8	\$429,648	\$340,049	26.3	131.8
Transfer (to) / from Highway Maintenance and Operating Fund	(\$286,303)	(7.46)	\$0	\$0	-	(\$239,144)	(\$186,199)	(28.4)	(53.8)
Total Transportation Trust Fund	\$2,190,090	57.09	\$153,863	\$116,184	32.4	\$644,018	\$572,042	12.6	57.5
TOTAL HIGHWAY MAINTENANCE AND OPERATING AND TRANSPORTATION TRUST FUND	\$3,836,493	100.00	\$257,021	\$221,606	16.0	\$1,517,019	\$1,408,456	7.7	27.9

Percentage is greater than or equal to 1,000%.

(a) A new line, "Miscellaneous Revenues", was added to the Highway Maintenance and Operating Fund Revenue Forecast. A portion of the amounts previously reported in "Miscellaneous Taxes, Fees, and Revenues" and "Receipts from Cities/Counties" were reclassified to "Miscellaneous Revenues." In order to provide comparable data, the Fiscal Year 2007 and Fiscal Year 2006 monthly and year-to-date amounts were likewise reclassified.